



U. S. Department of Justice

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PRESS RELEASE
***GRAND JURY RETURNS INDICTMENT
CHARGING PAIR WITH CONSPIRACY,
TAX EVASION, FALSE STATEMENTS***

SALT LAKE CITY – A federal grand jury returned a four-count indictment Wednesday afternoon charging John E. Worthen and Laura Olson, both residents of Salt Lake County, with conspiracy, tax evasion and false statements in a scheme to defraud the IRS in its efforts to compute, assess, and collect federal income taxes.

“Hiding assets to avoid having them seized by the IRS is a crime and those who place assets in the names of others, such as corporations, trusts or individuals in an effort to avoid paying their taxes will be prosecuted to the fullest extent of the law,” said U.S. Attorney Brett L. Tolman, who announced the indictment today with IRS Special Agent in Charge Paul A. Camacho.

According to the indictment in 1997, Worthen pleaded guilty to federal tax evasion charges and was sentenced to 33 months in prison. As a condition of his release, he was ordered to file accurate income taxes for several years in the 1980s and 1990s. The indictment alleges that based on

tax returns filed by Worthen, the IRS assessed taxes due for those years totaling about \$3 million plus penalties and interest.

The indictment alleges Olson, who has a relationship with Worthen, is the nominee president of various corporations and other entities that have been used to hide Worthen's assets, including Arlin Geophysical Company. For example, according to the indictment, from 1997 to 2005 Worthen negotiated the purchase of three parcels of land in Herriman. He titled the properties in the name of Arlin, the indictment alleges, but later told third parties that he owned the property in which he claimed to have more than \$20 million in equity.

The indictment alleges that in 2001, Worthen submitted an offer in compromise to the IRS stating that he had minimal assets and a bank account with a small balance. As a part of this offer, he offered the IRS \$35,000 to settle his tax debt which, including interest and penalties, had grown to more than \$12 million. In fact, the indictment alleges, he had transferred assets, including his home, other properties, and bank accounts to nominees to hide the assets from the IRS and others.

The indictment also alleges Worthen was associated with a group in Washington that engaged in various securities transactions. According to the indictment, Worthen received more than \$100,000 for his participation in the transactions. Worthen directed participants in those securities transactions to deposit the funds owed to him in bank accounts in the names of nominees such as Olson and Arlin Geophysical, Inc., rather than in his own bank accounts, the indictment alleges.

By June 2006, the IRS had initiated a criminal investigation into whether Worthen was using nominees to hide assets in an effort to avoid having his assets used to satisfy his substantial tax debts. On June 13, 2006, Olson was interviewed by two special agents of the IRS. During the course of the interview, she was asked questions about assets titled in her name and the name of Arlin. The indictment alleges she gave false answers to many of the questions in an apparent effort to hide the fact that the assets that she owned on paper were purchased by Worthen and that Olson and Arlin were his nominees.

“More than a decade ago, Mr. Worthen was convicted of tax evasion, sentenced to 33 months and order to pay over \$3 million dollars in back taxes relating to his conviction. As alleged in this indictment, rather than comply with the terms of his sentence, Mr. Worthen took numerous steps to hide his assets, which he valued at more than \$20 million, by placing them in the names of other individuals and corporations. The Internal Revenue Service Criminal Investigative Division takes such allegations seriously. Willful failure to comply with ones tax obligations even in the face of a court order, as alleged in this indictment, demonstrates a clear disregard for the laws of this great country and also completely disrespects all the honest taxpayers working hard to pay their fair share of taxes. Maybe this time, Mr. Worthen will learn that IRS criminal investigators are very good at weeding through shell companies and nominee ownerships. The IRS is relentless in the pursuit of those engaged in egregious evasion of taxes. Repeat offenders are the top of our priority list," IRS Special Agent in Charge Camacho said.

The indictment charges Worthen and Olson with one count of conspiracy. Worthen also faces one count of attempted evasion of income tax. Olson is charged in two counts of making false statements to IRS investigators. The maximum potential penalty for each count is up to five years in prison. A summons will be issued Olson to appear for an arraignment on the charges in the indictment. Worthen is in the custody of the U.S. Bureau of Prisons on another matter. An appearance on the new charges will be coordinated with the BOP and U.S. Marshals.

Defendants charged in indictments are presumed innocent unless or until proven guilty in court.

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